



Commonwealth of Kentucky
Office of the Governor

FOR IMMEDIATE RELEASE

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**Gov. Beshear Issues Executive Order Creating Kentucky Health
Benefit Exchange**

Exchange will provide one-stop shopping for Kentuckians seeking health plans

FRANKFORT, Ky. (July 17, 2012) – Governor Steve Beshear today issued an executive order establishing the Kentucky Health Benefit Exchange, a requirement of the federal Affordable Care Act (ACA).

The Kentucky Health Benefit Exchange is an online marketplace that will provide one-stop shopping for individuals to enroll in qualified health coverage plans. Those plans may be offered through the exchange or coverage through other federal or state health care programs, including Medicaid and the Kentucky Children's Health Insurance Program (KCHIP).

"Since the Supreme Court upheld most of the Affordable Care Act, Kentuckians who have had difficulty finding or qualifying for affordable health coverage will be able to do so by visiting the state's online Health Benefit Exchange," Gov. Beshear said. "We will work closely with insurers, providers, consumers and other groups to develop a robust, responsive, and user-friendly portal that will help Kentuckians find the coverage that best suits their needs."

The Exchange will also assist employers in facilitating the enrollment of their employees in health plans, enable individuals to receive premium tax credits and premium subsidies and qualify small businesses for tax credits. The Exchange will begin operation Jan. 1, 2014.

Gov. Beshear announced in May his intent to issue an order establishing a state-operated exchange provided the United States Supreme Court upheld the federal ACA, which it did on June 28.

Kentucky must demonstrate readiness to operate a state health benefit exchange by the end of 2012, or that responsibility will default to the federal government.

Several interest groups representing employers, health care advocates, and citizens, including the Kentucky Hospital Association, the Kentucky Chamber of Commerce, Kentucky Voices for Health, and Anthem Blue Cross Blue Shield have expressed that the Commonwealth, not the federal government, should operate the exchange for the state.

“Kentucky is more in tune with the unique regional and economic needs of our citizens, as well as the health insurance needs of individuals, Kentucky small businesses and nonprofits,” said Cabinet for Health and Family Services Secretary Audrey Tayse Haynes. “By establishing a state-operated exchange, we can also better coordinate the new eligibility and enrollment system within the current Medicaid program.”

The Executive Order issued today establishes the Office of the Kentucky Health Benefit Exchange, which will oversee the implementation and operations of the Exchange. The office will be housed in the Cabinet for Health and Family Services (CHFS).

The Cabinet and the Department of Insurance have been involved in planning for the Exchange since 2010. The Commonwealth has received three exchange grants from the Federal Department for Health and Human Services (HHS) totaling \$66.4 million for planning and implementation of a state exchange.

The development and operation of the Kentucky Exchange will be funded entirely with federal dollars until Jan. 1, 2015, after which the Exchange will be wholly funded with revenues it generates.

Gov. Beshear selected Carrie Banahan to serve as executive director of the Office of the Kentucky Health Benefit Exchange. A career state employee with experience in the Department of Insurance and the Department of Medicaid Services, Banahan currently serves as the executive director of the Office of Health Policy within the Cabinet. She will remain acting executive director of health policy until a permanent replacement is named.

Order Creates Exchange Advisory Board

The Governor’s executive order also establishes an 11-member Exchange Advisory Board.

Nominees for the panel representatives must have relevant experience in health benefits administration, health care finance, health plan purchasing, health care delivery system administration, public health, or health policy related to the small group and individual markets and the uninsured.

Gov. Beshear expects to announce appointments to the advisory board by mid-August. The Governor will appoint the chair of the advisory board from the appointees to the 11-member panel.

Forums Scheduled for Stakeholders

The Commonwealth has been working with insurers to assist them in understanding their obligations under the Affordable Care Act regarding insurance reforms, consumer protections and the exchange. Officials from CHFS and the Kentucky Department of Insurance have scheduled six upcoming forums around the state with insurers, providers, agents, consumers, employers and advocates to educate the public on insurance reforms and to solicit input on the development of a Kentucky exchange. Dates and locations for the forums are:

July 25, 1-3:30 p.m. EDT

Northern Kentucky University
Mets Center Auditorium
3861 Olympic Blvd., Erlanger, KY

July 26, 1-3:30 p.m. EDT

UofL Shelby Campus
Founders Union Building, Room 218
9001 Shelbyville Rd., Louisville, KY

July 27, 1-3:30 p.m. EDT

Big Sandy Community and Technical College
Gearhart Auditorium, Pike Building
1 Bert T. Combs Drive, Prestonsburg, KY

Aug. 1, 1-3:30 p.m. EDT

Somerset Community College
Meece Hall Auditorium, Room 120
808 Monticello St., Somerset, KY

Aug. 16, 1-3:30 p.m. CDT

West Kentucky Community and Technical College, Emerging Technology Center
Room 109
510 Alben Barkley Drive, Paducah, KY

Aug. 17, 8:30-11:00 a.m. CDT

Owensboro Community and Technical College, Blandford Lecture Hall, Humanities Building
4800 New Hartford Rd., Owensboro, KY

No Decision on Medicaid Expansion

States have two decisions to make after the Supreme Court's ruling on the Affordable Care Act: how to implement the health benefit exchange, and whether to expand Medicaid eligibility to 133 percent of the federal poverty level.

The question of whether states will expand Medicaid eligibility is completely unrelated to the health benefit exchange implementation. Kentucky is still in the process of gathering information on the possible impacts of Medicaid expansion, and as a result, no decision has been made.

“In light of the Supreme Court's decision, a great deal of questions remain about how an expansion of Medicaid would affect Kentucky, particularly the long-term cost to the state after the three-year period of full federal cost coverage expires,” said Sec. Haynes. “We are aggressively pursuing answers to those questions so we can make a decision in the best interest of all Kentuckians.”

To learn more about the Affordable Care Act please visit www.HealthCare.gov.